DEPARTMENT OF CONSUMER AFFAIRS LEGISLATIVE DIGEST

2007 Legislative Session

A. GENERAL CONSUMER PROTECTION BILLS

(1) BUSINESS PRACTICES

AB 107 Smyth

Public Contracts: Prospective Bidders: Unauthorized Aliens

Two Year Bill

Would require all prospective bidders for state contracts to certify under penalty of perjury that none of their employees are unauthorized aliens.

AB 429 Evans

Lodging: Privacy

Two Year Bill

Would prohibit an innkeeper from disseminating the personal information of a guest, to any third party, with specified exceptions.

AB 434 Silva

Notaries Public

Enacted Chapter 496

Requires a notary public to either provide a photostatic copy of any line item contained in their required activity journal that is requested by any member of the public, or to acknowledge that the line item does not exist within 15 business days from receipt of the request by the notary.

AB 512 Lieber

Contracts: Translation

Two Year Bill

Would require that any person who negotiates primarily in Spanish, Chinese, Tagalog, Vietnamese, or Korean, orally or in writing, in the course of entering into specified loans or extensions of credit subject to the California Residential Mortgage Lending Act, deliver to the other party to the contract or agreement and prior to the execution thereof, a translation of the contract or agreement in the language in which the contract was negotiated. Would also require supervised financial organizations that make loans secured by real property to provide a summary translation of specified contract terms in a form created by the Business, Transportation, and Housing Agency to be drafted in each of the languages described above.

AB 604 Walters

Deceased Persons: Cancellation of Services

Enacted Chapter 14

Prohibits a business that receives a request from a family member, attorney, or personal representative of a deceased person to cancel that person's services from requiring an in-person cancellation.

AB 702 Portantino

Musical Performances or Productions: Deceptive Acts

Enacted Chapter 395

Defines a performing group as a vocal or instrumental group seeking to use the name of another group that has previously released a commercial sound recording; and makes it unlawful, with fines up to \$2,500, for any person to advertise or conduct a live musical performance or production, through the use of a false, deceptive, or misleading affiliation, connection, or association between a performing group and a recording group, except under specified circumstances.

AB 779 Jones

Personal Information: State Agencies & Businesses

Vetoed

On or after July 1, 2008, would have prohibited a person, business, or public agency that sold goods or services to any resident of California and accepted as payment a credit card, debit card, or other payment device, from storing, retaining, sending, or failing to limit access to payment related data, retaining a primary account number, or storing sensitive authentication data, unless the person, business, or public agency had a data retention and disposal policy.

AB 865 Davis

State Agencies: Live Customer Service

Two Year Bill

Would create the "State Agency Live Customer Service Act" and require that each state agency answer an incoming call with a live customer service agent or automated telephone answering equipment with an automated prompt that allows a caller to select the option to speak with a live customer service agent.

AB 886 Runner, Sharon

Notaries

Enacted Chapter 399

Provides that a peace officer may seize a notary's journal as evidence of a crime when there is probable cause; prohibits a notary from using a commercial mail receiving agency or post office as his/her principal place of business or residence; and makes failure to notify the Secretary of State of a change of address or name punishable as an infraction by a fine of not more than \$500.

AB 1135 Strickland

State Government Reports: Attestation

Vetoed

Would have required a written report, submitted by any state agency or department to the Legislature, a Member of the Legislature, or any state legislative or executive body to include a signed statement by the head of the agency or department, declaring that the factual contents of the written report are true/accurate and provided that a violation of these provisions be punishable with a civil penalty not to exceed \$20,000.

AB 1282 Salas

Advertising: Business Location Representations

Vetoed

Would have made it illegal for a floral business to list or advertise a local telephone number if the phone calls were routinely routed to a location that was different than the geographical location of the number advertised; and would have made it illegal to list or advertise a business name if the name misrepresented the business' geographical location.

AB 1298 Jones

Personal Information: Disclosure

Enacted Chapter 699

Applies the Confidentiality of Medical Information Act to <u>any</u> corporation that maintains medical information for treatment or diagnosis; regardless of the existence of a security freeze, permits a consumer reporting agency to disclose public record information; and adds private medical and health insurance information to the definition of "personal information" thereby requiring a state agency, or a person or business that conducts business in California to disclose a breach of security of a person's unencrypted medical or health care records.

AB 1347 Caballero

Pet Store Animal Care Act

Enacted Chapter 703

Enacts the "Pet Store Animal Care Act" to establish procedures for the care and maintenance of animals in the custody of a pet store and establishes an enforcement scheme that makes the first violation of the provisions of this statute punishable with a fix it ticket, a second violation an infraction punishable by a fine not to exceed \$250 and a third violation a misdemeanor with a fine not to exceed \$1,000 for each violation.

AB 1673 Feuer

Retail Sales: Rebates

Vetoed

Would have required a retail seller that sold goods to the public and that indicated the availability of a rebate for an item of merchandise by displaying or advertising the net price of the item after the redemption of the rebate to discount, at the time of sale, the sales price of the item by the amount of the rebate in exchange for the consumer transferring the right to the rebate to the seller.

SB 250 Corbett

Gift Certificates

Enacted Chapter 640

Allows any gift certificate with a cash value of less than \$10 to be redeemed in cash for its cash value and provides that gift certificates for food items cannot contain an expiration date, with certain exceptions.

(2) COURT SYSTEM & LEGAL SERVICES

AB 316 Spitzer

Guardianships & Conservatorships: Investments

Two Year Bill

Would revise and expand what investments a guardian or conservator may make on behalf of an estate without prior court approval, permit a conservator to manage the estate of a conservatee in consideration of the interests of persons other than the conservatee.

AB 582 Evans

Court Transcription Fees

Two Year Bill

Would change the basis of court transcripts fees; allow an unrepresented indigent person to be eligible for reimbursement of up to \$1,000 per year from the Transcripts Reimbursement Fund; provide for an increase and revision of the court transcript fee; and extend the current provision allowing a court reporter to charge an additional 50 percent for special daily copy service to also cover criminal case transcripts.

AB 692 Mullin

Attorneys: Referral Services

Two Year Bill

Would specify that a lawyer referral service includes an Internet service that operates for the direct or indirect purpose of referring potential clients to California attorneys.

AB 1725 Lieu

Evaluation of Judicial Candidates: Disclosure

Two Year Bill

Would state the intent of the Legislature that the ratings of persons appointed or nominated to a judicial office given by the State Bar shall be appropriately disclosed in order to promote public trust and confidence in the judicial branch.

AB 1727 Judiciary Committee

Conservators & Guardians

Enacted Chapter 553

Requires various special filings for professional conservators; permits the disclosure of confidential health information in conservatorship investigations; establishes procedures for a public guardian to investigate the necessity of a conservatorship; and makes various changes to streamline court procedures.

SB 183 Corbett

Elderly & Dependent Adults: Civil Actions

Enacted Chapter 48

(1) Repeals the requirement for a petition for the transfer of the right to commence or maintain an action for relief for abuse of an elderly or dependent adult who has died, and permits the automatic passing of this right to the decedent's personal representative, intestate heir, successor in interest, or an interested party; and (2) Permits the court to grant specified persons the right to commence or maintain an action for elder abuse if the representative of the decedent was the abusive party or has a conflict of interest, or if multiple claims to the right to commence or maintain an action are made.

SB 553 Aanestad

Decedents' Estates

Two Year Bill

Would increase amount limits regarding the administration of a decedent's estate.

SB 644 Correa

Court Records: Social Security Numbers

Enacted Chapter 189

Limits the use of a social security number (SSN) to only the last four digits of the SSN on certain court documents ordering a party to pay money and requires that tax assessors limit the use of SSNs to the last four digits of the number on tax liens.

SB 771 Kuehl

Deceased Personalities: Testamentary Instruments

Enacted Chapter 439

Abrogates two federal court decisions and retroactively grants a right of publicity for a deceased personality to persons to whom that right was transferred before January 1, 1985 (the operative date of the Astaire Celebrity Image Protection Act, which created the transferable posthumous right of publicity).

SB 800 Corbett

Conservatorship & Guardianship

Two Year Bill

Would require a conservator to establish a general plan for the care of a conservatee; establish procedures for a proposed move of residence of a conservatee; and require a professional conservator to include registration information on a petition for conservatorship.

(3) INTERNET / e-COMMERCE / e-GOVERNMENT

AB 88 Lieu

Pupil Instruction: Internet Safety Resources

Two Year Bill

Would require the State Department of Education to work with the Department of Consumer Affairs to ensure that, at a minimum, the resources included in the California Cyber Safety Resource Center encompass information about specified subjects on Internet safety.

AB 1677 Calderon, Charles

Internet Transactions: Verification: Banking & Financial Services

Two Year Bill

Would require a business that provides banking and other financial services over the Internet to implement policies and procedures for authenticating the legitimacy of Internet transactions.

SB 90 Budget & Fiscal Review Com

State Government: Information Technology

Enacted Chapter 183

Creates the Office of Information Security and Privacy Protection in the State and Consumer Services Agency by merging the California Office of Privacy Protection and the California State Information Security Office.

SB 388 Corbett

Privacy: Radio Frequency Identification Tags

Two Year Bill

Would require any private entity that sells, furnishes, or otherwise issues a card or other item containing a radio frequency identification (RFID) tag that may be scanned for personal information to provide specified information to the recipient of the card; allow, in the case of a medical emergency, during which a card or item containing a RFID tag is furnished or issued, the scanning of said item; and authorize an aggrieved party to bring an action against a violator for nominal or actual damages. Would also require that attorney's fees and costs be awarded to a prevailing party.

SB 596 Harman

Computerized Payment Systems: Antisniffer Protection

Two Year Bill

Would require computerized payment systems used in retail stores to send credit card information electronically, to include protection against "sniffer" technologies that can be used to intercept personal and financial information about consumers

SB 618 Alquist

State Agencies: Electronic Records

Two Year Bill

Would require each state agency, no later than January 1, 2010, to maintain all of its records in an electronic format.

(4) LANDLORD TENANT / COMMON INTEREST DEVELOPMENTS

AB 410 Adams

Termination of Tenancy: Unclaimed Property

Two Year Bill

Would authorize a landlord to keep, sell or destroy a former tenant's unclaimed personal property if the landlord reasonably believes that it is worth less than \$650.

AB 567 Saldana

Common Interest Development Bureau

Two Year Bill

Would establish an Office of the Common Interest Development Bureau within the Department of Consumer Affairs.

AB 691 Silva

<u>Certified Common Interest Development Managers</u>

Enacted Chapter 236

Amends and extends the current provisions regulating certified common interest development managers from January 1, 2008 to January 1, 2012.

AB 763 Saldana

Condominium Conversion: Tenant Notification

Enacted Chapter 612

Requires all written notices regarding the conversion of residential real property to be issued in the tenant's language in which the original rental agreement was negotiated and that the notification of the tenant's exclusive 90 day right to purchase his or her unit must be made within five days of receipt of the final public report from the Department of Real Estate.

AB 952 Mullin

Common Interest Developments: Assessments

Two Year Bill

Would require the board of directors of a common interest development seeking to increase regular and special assessments by more than 20% and 5% respectively, to secure both the approval of the majority of a quorum of all home owners and a quorum of all home owners of below market rate units.

AB 976 Calderon, Charles

Tenant's Immigration or Citizenship Status

Enacted Chapter 403

Prohibits local governments from passing ordinances compelling landlords to inquire and/or report information about the immigration or citizenship status of a tenant or occupant of residential rental property and/or that prohibits a landlord from renting to people based on citizenship or immigration status.

SB 371 Yee

Nonresidential Tenancy: Commercial Lease Deposit Money

Two Year Bill

Would permit the landlord in a commercial lease to apply a tenant's security deposit not only towards past due rent but also to include damages in future rent and permit the landlord to hold the security deposit beyond the mandated 30 day period until damages are adjudicated by court action in certain situations.

SB 482 Yee

Residential Tenancies: Security Deposits

Two Year Bill

Would create a comprehensive set of requirements that authorize tenants to purchase surety bonds in lieu of paying security deposits.

SB 528 Aanestad

Common Interest Developments: Open Board Meeting Agenda

Enacted Chapter 250

Prohibits the board of directors of a common interest development from discussing and taking action on any item at a board meeting unless the item is placed on the agenda when the meeting is announced. Provides for certain exceptions.

SB 948 Harman

Common Interest Developments: Board Member Education

Two Year Bill

Would require every member of the board of directors of a homeowner's association to complete at least one course approved by the Department of Real Estate on decisional and statutory law relating to common interest developments during the first 12 months of his or her first term of office, and at least one course every four calendar years after becoming a member of the board.

(5) MISCELLANEOUS CONSUMER ISSUES

AB 105 Lieu

Tanning Facilities

Enacted Chapter 590

Amends the Filante Tanning Facility Act to prohibit youth between the ages of 14 and 18 from using an ultraviolet tanning device at a tanning facility unless a parent or guardian provides in-person consent.

AB 264 Mendoza

<u>Pawnbrokers</u>

Two Year Bill

Would increase the amount a pawnbroker may charge on the unpaid principal balance of a loan and increase the maximum amount a pawnbroker may charge for a loan setup fee.

AB 305 Ma

Used Vehicle Sales

Enacted Chapter 219

Amends the Car Buyer's Bill of Rights to permit a vehicle dealer to increase the restocking fee charged for return of a vehicle for which a contract cancellation option was purchased, if the buyer had leased the vehicle prior to purchasing it and would have owed lease overage charges, such as excess mileage.

AB 512 Lieber

Contracts: Translation

Two Year Bill

Would require that any person who negotiates primarily in Spanish, Chinese, Tagalog, Vietnamese, or Korean, orally or in writing, in the course of entering into specified loans or extensions of credit subject to the California Residential Mortgage Lending Act, deliver to the other party to the contract or agreement and prior to the execution thereof, a translation of the contract or agreement in the language in which the contract was negotiated. Would also require supervised financial organizations that make loans secured by real property to provide a summary translation of specified contract terms in a form created by the Business, Transportation, and Housing Agency to be drafted in each of the languages described above.

AB 588 De Leon

Credit History: Public Utilities

Two Year Bill

Would allow utility providers, upon receipt of the express written consent of the subscriber, to release the subscriber's payment history to financial institutions specified by the utility subscriber and would authorize utility providers to release the subscriber's payment history to credit reporting agencies upon providing notice and would allow the providers to recover reasonably related costs from such agencies.

AB 779 Jones

Personal Information: State Agencies & Businesses

Vetoed

Would have prohibited, on or after July 1, 2008, a person, business, or public agency that sold goods or services to any resident of California and accepted as payment a credit card, debit card, or other payment device, from storing, retaining, sending, or failing to limit access to payment related data, retaining a primary account number, or storing sensitive authentication data, unless the person, business, or public agency had a data retention and disposal policy.

AB 814 Hayashi

Consumer Sales Security Act

Two Year Bill

Would require that Office of Privacy Protection to develop an identity theft prevention program for businesses and retailers that will educate them on security methods and procedures to better protect the personal information and financial data of their customers.

AB 973 Fuller

Regional Occupational Centers & Programs: Fees

Vetoed

Would have required a state department, commission, board, body, bureau or other agency to waive the application fee for a certificate, license and examination that it issued or administered if the applicant was a pupil who was enrolled in a public high school or graduated from a public high school no more than one year prior to the date of the application and who had fulfilled all of the requirements to be eligible for licensure or to take the exam by completing a course offered by a regional occupational center or program. Also would have required any department, commission, board, body, bureau or other agency that waived a fee under this bill to report to the Legislature statistics regarding the number, types and amounts of fees waived.

AB 1006 Maze

Pawnbrokers & Dealers

Two Year Bill

Would prohibit a secondhand dealer, pawnbroker, or coin dealer from charging the owner of property that has been reported as lost or stolen for the return of that property when it is in the possession of the dealer, require a thief to pay a dealer seven times the cost of the property, if convicted, or give the dealer a right of action to recover seven times the cost of the property, and make changes to effectuate these provisions.

AB 1298 Jones

Personal Information: Disclosure

Enacted Chapter 699

Applies the Confidentiality of Medical Information Act to <u>any</u> corporation that maintains medical information for treatment or diagnosis; regardless of the existence of a security freeze, permits a consumer reporting agency to disclose public record information; and adds private medical and health insurance information to the definition of "personal information" thereby requiring a state agency, or a person or business that conducts business in California to disclose a breach of security of a person's unencrypted medical or health care records.

AB 1634 Levine

California Healthy Pets Act

Two Year Bill

Would establish the "California Healthy Pets Act" and enact mandatory spay/neuter laws to prohibit any person from owning or possessing a cat or dog over the age of six months that has not been spayed or neutered, unless that person possesses an intact permit and authorize the local animal control agency to issue a citation of five hundred dollars for each animal in violation, subject to a 30-day grace period to spay/neuter/obtain intact permit as specified.

AB 1673 Feuer

Retail Sales: Rebates

Vetoed

Would have required a retail seller that sold goods to the public and that indicated the availability of a rebate for an item of merchandise by displaying or advertising the net price of the item after the redemption of the rebate, to discount, at the time of sale, the sales price of the item by the amount of the rebate in exchange for the consumer transferring the right to the rebate to the seller.

SB 30 Simitian

Identity Information Protection Act of 2007

Two Year Bill

Would enact the Identity Information Protection Act of 2007. Until December 31, 2012, or as otherwise specified, the act would require identification documents that are created, mandated, purchased, or issued by various public entities that use radio waves to transmit data, or to enable data to be read remotely, to meet specified requirements; require those public entities and authorized third parties to protect operational system keys and data transmitted remotely by those identification documents from unauthorized access, and would restrict the disclosure thereof; and authorize declaratory or injunctive relief or a writ of mandate and attorney's fees and costs under specified circumstances.

SB 216 Cox

Judgments: Social Security Numbers

Two Year Bill

Would delete the requirement that abstracts of judgments or decrees requiring the payment of money contain the social security number of the judgment debtor or party ordered to pay support, and instead require only the last four digits of that person's social security number.

SB 234 Corbett

Vehicle Consumer Warranties: Members of the Armed Forces

Enacted Chapter 151

Applies Song-Beverly Consumer Warranty Act ("Lemon Law") protections to a vehicle purchase made by an active member of the United States Armed Forces, regardless of which state the vehicle was purchased in, provided that the vehicle manufacturer sells vehicles in California and the member of the Armed Forces was stationed in or a resident of this state at the time the vehicle was purchased or lemon law action was filed.

SB 328 Corbett

Personal Information: Prohibited Practices

Two Year Bill

Would include a telephone calling pattern record or list in the definition of personal information; prohibit any person from obtaining or attempting to obtain, or disclosing personal information about a customer or employee contained in the records of a business; and would provide civil remedies for violations of the provisions of this bill.

SB 364 Simitian

Personal Information: Privacy

Two Year Bill

Under existing law agencies that own or license computerized data that includes personal information are required to disclose any breach of the security of that data to California residents whose unencrypted data was acquired by or reasonably believed to have been acquired by unauthorized persons. If the cost of disclosure is over \$250,000, or more than 500,000 people were affected, then alternative notification methods are allowed. This bill would lower the threshold of alternative notification to \$100,000, and repeal duplicative provisions of law.

SB 449 Aanestad

Crime Records: Victims of Sex Offenses

Enacted Chapter 578

Adds certain crimes to the list of sex offenses that qualify for the protection of victims' names and addresses from disclosure under the California Public Records Act.

SB 500 Corbett

Credit Services Organizations

Enacted Chapter 91

Prohibits credit services organizations from charging referral fees and making referrals in situations where conflicts of interests exist such as referring an individual to a credit grantor that is related by common ownership, management or control to the underlying credit service organization; and forbids the Department of Justice from issuing registration to a credit services organization that has violated specified provisions of the law.

SB 954 Ridley-Thomas

Consumer Credit Reports

Two Year Bill

Would make technical, non-substantive changes to the existing law regulating the contents and uses of consumer credit reports.

(6) NEW / PROPOSED REGULATORY PROGRAMS

AB 163 Eng

Chiropractors

Two Year Bill

Would place on the ballot a measure that would amend the Chiropractic Act to: include the Board of Chiropractic Examiners (Board) in the Department of Consumer Affairs; provide for a seven-member Board with a license member majority; and require, in addition to the appropriation made in the Budget Act of 2007, an appropriation over \$1.5 million from the revenue in the State Board of Chiropractic Examiners' Fund for the support of the Board of Chiropractic Examiners.

AB 567 Saldana

Common Interest Development Bureau

Two Year Bill

Would establish the Common Interest Development Bureau within the Department of Consumer Affairs.

AB 1137 Eng

Chiropractors

Two Year Bill

Would place on the ballot a measure that would amend the Chiropractic Act (Act) to: allow the Legislature to amend, modify, or repeal the Act; amend the Act to include the Board of Chiropractic Examiners in the Department of Consumer Affairs; and reconstitute the Board as a public-member majority.

SB 284 Lowenthal

Certified Athletic Trainers: Registration

Vetoed

Would have prohibited, on and after July 1, 2008, a person from representing themselves as a "certified athletic trainer," unless that person was registered by an athletic training organization pursuant to the provisions of this bill; provided that a violation of this prohibition is an unfair business practice; and provided that in order to be registered as a certified athletic trainer, a person must apply for registration with an athletic training organization and include with his/her application documentation establishing that he/she has met specified requirements, including education standards, passage of a certification examination, and completion of continuing education, unless that person was employed and registered as a certified athletic trainer prior to December 31, 2007.

SB 731 Oropeza

Massage Therapy

Two Year Bill

Would provide for the certification of massage practitioners and massage therapists by the Massage Therapy Organization (organization); make the organization subject to review by the Joint Committee on Boards, Commissions, and Consumer Protection; and prohibit a city, county, or other political jurisdiction from enacting or enforcing specified ordinances relating to the practice of massage against an individual who was certified under the provisions of this bill.

SB 801 Ridley-Thomas

Chiropractors

Vetoed

Would have placed on the ballot a measure that would amend the Chiropractic Act to: include the Board of Chiropractic Examiners (Board) in the Department of Consumer Affairs; provided for a seven-member Board with a license member majority; and required, in addition to the appropriation made in the Budget Act of 2007, an appropriation over \$1.5 million from the revenue in the State Board of Chiropractic Examiners' Fund for the support of the Board of Chiropractic Examiners.

(7) TELECOMMUNICATIONS

AB 865 Davis

State Agencies: Live Customer Service

Two Year Bill

Would create the "State Agency Live Customer Service Act" and require that each state agency answer an incoming call with a live customer service agent or automated telephone answering equipment with an automated prompt that allows a caller to select the option to speak with a live customer service agent.

AB 891 De La Torre

Telecommunications: Consumer Protection

Two Year Bill

Would establish the Truth in Telecommunications Sales Act, which would establish various disclosure requirements for telecommunications service providers; provide that a contract or agreement for telecommunications product or service is not binding without the disclosures established by this Act; and require disclosures established by this Act to be provided to a customer in the same language used in the marketing of the product or service.

SB 158 Florez

<u>Telecommunications: Mobile Telephony Services: Handsets</u>

Two Year Bill

Would require mobile telephony service (wireless) providers to, upon request from a subscriber and after the completion of a service contract or complete purchase of a handset, remove or deactivate any device in that handset that prevents the subscriber from using the handset to activate service with a different wireless provider.